

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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UNITED STATES OF AMERICA,

Plaintiff,

— v. —

NARCO FREEDOM, INC.,

Defendant.  
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**DECLARATION OF CRISTINE IRVIN PHILLIPS IN SUPPORT OF  
THE MOTION OF THE UNITED STATES  
FOR A TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION**

I, Cristine Irvin Phillips, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am an Assistant United States Attorney in the Office of Preet Bharara, United States Attorney for the Southern District of New York, attorney for plaintiff United States of America (“Government”) in the above-captioned action. I make this declaration in support of the motion of the Government seeking a temporary restraining order and preliminary injunction (“TRO motion”).

2. I have been assigned to represent the Government in this action, and am familiar with the matters set forth herein.

3. On October 14, 2014, the Government disclosed to counsel for Narco Freedom, Inc. (“Narco Freedom”) its allegations regarding an unlawful kickback scheme being perpetrated by Narco Freedom through its Freedom Houses, as set forth more fully in the Complaint and TRO motion. The Government informed Narco Freedom that unless it agreed to voluntarily sever the unlawful kickback relationship, the Government would petition the Court for injunctive relief to stop the ongoing fraud.

4. On or about October 21, 2014, the Government learned that the Office of the New York State Attorney General was seeking to put Narco Freedom into receivership, as related to its criminal indictment of former Narco Freedom C.E.O. Alan Brand and his son, Jason Brand, for commercial bribery, grand larceny and money laundering. To my knowledge, the timing of that receivership remains uncertain, assuming that it occurs at all.

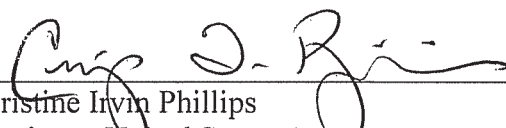
5. Counsel for Narco Freedom has represented to the Government that the pending potential receivership prevents Narco Freedom from negotiating a voluntary injunction that would stop the ongoing fraud.

6. It is my understanding, from conversations last week with counsel for Narco Freedom as well as the New York Office of Alcohol and Substance Abuse Services, that Narco Freedom's outpatient programs and Freedom Houses are open and there are no plans for those entities to close.

7. Due to these circumstances, Court intervention is necessary to stop Narco Freedom's fraudulent kickback scheme, which remains ongoing.

I declare under penalty of perjury that the forgoing statements are true and correct to the best of my knowledge and belief.

Dated: October 28, 2014  
New York, New York

  
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Christine Irvin Phillips  
Assistant United States Attorney  
Southern District of New York